SHB 2366 - H AMD

By Representative Lantz

3 Strike everything after the enacting clause and insert the 4 following:

NEW SECTION. Sec. 1. A new section is added to chapter 4.24 RCW to read as follows:

- (1) Except as provided in subsection (2) of this section, a volunteer of a nonprofit organization or governmental entity shall not be personally liable for harm caused by an act or omission of the volunteer on behalf of the organization or entity if:
- (a) The volunteer was acting within the scope of the volunteer's responsibilities in the nonprofit organization or governmental entity at the time of the act or omission;
- (b) If appropriate or required, the volunteer was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice, where the activities were or practice was undertaken within the scope of the volunteer's responsibilities in the nonprofit organization or governmental entity;
- (c) The harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer; and
- (d) The harm was not caused by the volunteer operating a motor vehicle, vessel, aircraft, or other vehicle for which the state requires the operator or the owner of the vehicle, craft, or vessel to either possess an operator's license or maintain insurance.
- (e) The nonprofit organization carries public liability insurance covering the organization's liability for harm caused to others for which it is directly or vicariously liable of not less than the following amounts:
- (i) For organizations with gross revenues of less than \$25,000, at least \$50,000 due to the bodily injury or death of one person or at least \$100,000 due to the bodily injury or death of two or more persons;

OPR -1-

- (ii) For organizations with gross revenues of more than \$25,000 but less than \$100,000, at least \$100,000 due to the bodily injury or death of one person or at least \$200,000 due to the bodily injury or death or two or more persons;
- 5 (iii) For organizations with gross revenues of more than \$100,000, 6 at least \$500,000 due to bodily injury or death.
 - (2) Nothing in this section shall be construed to affect any civil action brought by any nonprofit organization or any governmental entity against any volunteer of the organization or entity.
 - (3) Nothing in this section shall be construed to affect the liability, or direct liability, of any nonprofit organization or governmental entity with respect to harm caused to any person, including harm caused by the negligence of a volunteer.
 - (4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
 - (a) "Economic loss" means any pecuniary loss resulting from harm, including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities.
 - (b) "Harm" includes physical, nonphysical, economic, and noneconomic losses.
 - (c) "Noneconomic loss" means loss for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium other than loss of domestic service, hedonic damages, injury to reputation, and all other nonpecuniary losses of any kind or nature.
 - (d) "Nonprofit organization" means: (i) Any organization described in section 501(c)(3) of the internal revenue code of 1986 (26 U.S.C. Sec. 501(c)(3)) and exempt from tax under section 501(a) of the internal revenue code; (ii) any not-for-profit organization that is organized and conducted for public benefit and operated primarily for charitable, civic, educational, religious, welfare, or health purposes; or (iii) any organization described in section 501(c)(14)(A) of the internal revenue code of 1986 (26 U.S.C. Sec. 501(c)(14)(A)) and exempt from tax under section 501(a) of the internal revenue code.
 - (e) "Volunteer" means an individual performing services for a nonprofit organization or a governmental entity who does not receive

OPR -2-

2366-S AMH LANT BARN 10

- 1 compensation, other than reasonable reimbursement or allowance for
- 2 expenses actually incurred, or any other thing of value, in excess of
- 3 five hundred dollars per year. "Volunteer" includes a volunteer
- 4 serving as a director, officer, trustee, or direct service volunteer.-

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EFFECT: Clarifies that the direct liability of an organization is not effected by the bill. Requires a volunteer organization to carry liability insurance in specified amounts in order for the organization's volunteers to qualify for limited liability.

OPR -3-